

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

**FEE APPLICATION COVER SHEET**

Debtors: Immune Pharmaceuticals, Inc., et al.

Applicant: Norris McLaughlin, P.A.

Case Nos.: 19-13273(VFP)

Clients: Immune Pharmaceuticals, Inc., et al.

Chapter: 11

Cases Filed: February 17, 2019; February 22, 2019  
February 26, 2019

**SECTION 1  
FEE SUMMARY**

☒ Interim Fee Application No. 1 or ☐ Final Fee Application

	<u>FEES</u>	<u>EXPENSES</u>
Total Previous Fee Requested	\$ <u>-0-</u>	\$ <u>-0-</u>
Total Fees Allowed To Date:	\$ <u>-0-</u>	\$ <u>-0-</u>
Total Retainer (If Applicable)	\$ <u>8,000.00</u>	\$ <u>-0-</u>
Total Holdback (If Applicable)	\$ <u>-0-</u>	\$ <u>-0-</u>
Total Received By Applicant	\$ <u>-0-</u>	\$ <u>-0-</u>

NAME OF PROFESSIONAL & TITLE	YEAR ADMITTED (OR YEARS OF PROFESSIONAL SERVICE)	HOURS	RATE	FEE
<b>2019</b>				
1. Morris S. Bauer	1989(NY)1990(NJ)	731.00	550.00	402,050.00
2. Melissa A. Pena	2003(NJ) 2004(NY)	321.50	400.00	128,600.00
3. Catherine L. Corey	2016(NJ)	395.90	210.00	98,975.00
4. Bruce J. Wisotsky	1986(NJ)	36.10	575.00	20,757.50
5. Christopher s. Kwelty	2015(NJ)	26.10	230.00	6,003.00
6. Candice H. Rienzo	2009(NJ)	5.00	240.00	1,200.00
7. Karolina A. Dehnhard	2009(NJ)	1.00	375.00	375.00
8. Ariel Brown	2018(NJ)	41.70	225.00	9,382.50
9. Allison J. Arotsky	2012(NJ)	30.50	260.00	7,930.00
10. Bruce S. Londa	1989(NY)	1.10	625.00	687.50
11. Danielle M. DeFillipis	2004(NJ), 2005(NY)	1.60	400.00	640.00
12. Steven A. Karg	1991(NJ)	0.30	495.00	148.50
13. Jacqueline K. Holmes	2012(NJ)	7.80	200.00	1,560.00
14. Michael J. Wise	2016(NJ)	9.60	230.00	2,208.00
15. Janice Lustiger	Paralegal	0.90	225.00	202.50
16. Lisa Postell	Paralegal	6.00	150.00	900.00

<b>2020</b>				
1. Morris S. Bauer	1989(NY)1990(NJ)	75.50	565.00	42,657.50
2. Allison J. Arotzky	2012(NJ)	67.10	265.00	17,781.50
3. Melissa A. Pena	2003(NY)	0.50	410.00	205.00
4. Bruce J. Wisotsky	1986(NJ)	0.20	585.00	117.00
<b>TOTALS</b>		<b>1,759.40</b>		<b>742,380.50</b>

Fee Totals:	\$742,380.50
Disbursement Totals:	<u>\$ 39,154.88</u>
Total Fee Application	<u>\$781,535.38</u>

**SECTION II  
COMBINED SUMMARY OF SERVICES**

<b>SERVICES RENDERED</b>	<b>HOURS</b>	<b>FEE</b>
a) <b>Asset Analysis and Recovery</b> Identification and review of potential assets including causes of action and non-litigation recoveries.		
b) <b>Asset Disposition</b> Sales, leases, abandonment and related transaction work	473.00	214,412.50
c) <b>Avoidance Action Litigation</b> Preference and fraudulent transfer litigation.	1.80	720.00
d) <b>Business Operations</b> Issues related to debtor-in-possession operating in chapter 11 such as employee, vendor, tenant issues and other similar problems.	12.80	7,080.50
e) <b>Case Administration</b> Coordination and compliance activities, including preparation of statement of financial affairs, schedules, lists of contracts, United States Trustee interim statements and operating reports; contacts with the United States Trustee; general creditor inquiries.	387.50	169,915.00
f) <b>Claims Administration and Objections</b> Specific claim inquiries; bar date motions; analyses, objections and allowance of claims.	92.20	28,381.00
g) <b>Employee Benefits/Pensions</b> Review issues such as severance, retention, 401K coverage and continuance of pension plan.		
h) <b>Fee/Employment Applications</b> Preparations of employment and fee applications for self or others; motions to establish interim procedures.	76.40	33,861.50
i) <b>Fee/Employment Objections</b> Review of an objection to the employment and fee applications of others.		
j) <b>Financing</b> Matters under 361, 363, and 364 including cash collateral and secured claims; loan document analysis.	25.10	10,985.00
k) <b>Litigation</b> Other than Avoidance Action Litigation (there should be a separate category established for each major matter).	534.40	211,303.00
l) <b>Meeting of Creditors</b> Preparing for and attending the conference of creditors, the 341(a) meeting and other creditors' meetings.		
m) <b>Plan and Disclosure Statement</b> Formulation, presentation and confirmation; compliance with the plan confirmation order, related orders and rules; disbursement and case closing activities, except those related to allowance and objections to allowance of claims.	14.10	6,144.00
n) <b>Relief from Stay Proceedings</b> Matters relating to termination or continuation of automatic stay under 362.	96.80	38,224.00

o) <b>Accounting/Auditing</b> Activities related to maintaining and auditing books of account, preparation of financial statements and account analysis.		
p) <b>Business Analysis</b> Preparation and review of company business plan; development and review of strategies; preparation and review of cash flow forecasts and feasibility studies.		
q) <b>Corporate Finance</b> Review financial aspects of potential mergers, acquisitions and disposition of company or subsidiaries.		
r) <b>Data Analysis</b> Management information systems review, installation and analysis, construction, maintenance and reporting of significant case financial data, lease rejection, claims, etc.		
s) <b>Litigation Consulting</b> Providing consulting and expert witness services related to various bankruptcy matters such as insolvency, feasibility, avoiding actions; forensic accounting, etc.		
t) <b>Reconstruction Accounting</b> Reconstructing books and records from past transactions and bringing accounting current.		
u) <b>Tax Issues</b> Analysis of tax issues and preparation of state and federal tax returns.		
v) <b>Valuation</b> Appraise or review appraisals of assets.		
w) <b>Travel Time</b>	45.10	21,244.00
<b>SERVICE TOTALS:</b>	1,759.40	742,380.50

**SECTION III  
COMBINED SUMMARY OF DISBURSEMENTS**

<b>DISBURSEMENTS</b>	<b>AMOUNT</b>
a) <b>Filing Fees</b> Payable to Clerk of Court	10,457.00
b) <b>Computer Assisted Legal Research</b> Westlaw, Lexis and description of manner calculated.	19,009.13
c) <b>Pacer Fees</b> Payable to the Pacer Service Center for search and/or print	
d) <b>Fax</b> No. of Pages __ Rate per Page <u>1.00</u> (Max. \$1.00/pg.)	
e) <b>Case Specific Telephone/Conference Call Charges</b> Exclusive of overhead charges.	754.41
f) <b>In-house Reproduction Services</b> Exclusive of overhead charges.	
g) <b>Outside Reproduction Services</b> Including scanning services.	
h) <b>Other Research</b> Title searches, UCC searches, Asset searches, Accurint.	
i) <b>Court Reporting</b> Transcripts.	
j) <b>Travel</b> Mileage, tolls, airfare, parking.	1,245.24
k) <b>Courier &amp; Express Carriers</b> Overnight and personal delivery.	3,121.90
l) <b>Postage</b>	391.64
m) <b>Other (specify)</b> <b>Overtime – \$151.91; Meals - \$305.25; Transcripts \$3,718.40</b>	4,175.56
<b>DISBURSEMENTS TOTAL:</b>	<b>39,154.88</b>

I certify under penalty of perjury that the above is true and correct.

Date: March 18, 2020

/s/ Morris S. Bauer  
SIGNATURE

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

**NORRIS McLAUGHLIN, P.A.**

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Counsel for the Debtors/Debtors-in-Possession

In Re:

IMMUNE PHARMACEUTICALS INC., *et al.*,

Debtors.<sup>1</sup>

Case No.: 19-13273 (VFP)

Judge: Hon. Vincent F. Papalia

Chapter: 11

**APPLICATION OF NORRIS McLAUGHLIN, P.A. FOR FIRST  
INTERIM ALLOWANCES TO ATTORNEYS FOR DEBTORS**

TO: THE HONORABLE VINCENT F. PAPALIA  
UNITED STATES BANKRUPTCY JUDGE

The Application of Norris McLaughlin, P.A. (“NM” or “Your Applicants”), respectfully shows unto Your Honor and alleges:

1. Your Applicants are attorneys of the State of New Jersey, duly admitted to practice before this Honorable Court.

2. Your Applicants further show that on February 17, 2019 (the “Immune Petition Date”), Immune Pharmaceuticals, Inc. (the “Immune Debtor”) filed a voluntary petition for

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<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: Immune Pharmaceuticals, Inc. (1431); Immune Pharmaceuticals, Ltd.; Cytovia, Inc. (7805); Immune Oncology Pharmaceuticals, Inc.; Maxim Pharmaceuticals, Inc. (9983); and Immune Pharmaceuticals USA Corp. (9630).

reorganization pursuant to chapter 11 of the United States Bankruptcy Code and at that time was continued in possession of its assets.

3. Your Applicants further show that subsequent to the Immune Petition Date, certain of the Immune Debtor's affiliates filed their own Chapter 11 bankruptcy cases. On February 22, 2019, Immune Pharmaceuticals, Ltd. ("Ltd.") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code and on February 26, 2019, Cytovia, Inc., Maxim Pharmaceuticals, Inc., Immune Pharmaceuticals USA Corp., and Immune Oncology Pharmaceuticals Inc. (collectively referred to with Ltd. as the "Debtor Subsidiaries" and with the Immune Debtor as the "Debtors") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

4. Your Applicants further show that on March 13, 2019, an Order was entered in the Chapter 11 Cases authorizing the retention of NM as counsel to the Debtors. A copy of said order is annexed hereto as Exhibit "A".

5. Your Applicants further show that the services rendered in conjunction with this matter between February 15, 2019 and February 29, 2020, included the following, *inter alia*:

- (a) ☐ Conference calls with management of the Debtors and corporate counsel relating to the filing of chapter 11 petitions for each of the Debtors, pending notice of default and scheduled foreclosure by Discover Growth Fund, LLC ("Discover"), background on possible debtor-in-possession financing, on-going negotiation for the sale of Ceplene and on-going negotiations for the sale of the Anti-Eotaxin assets;
- (b) Preparation of chapter 11 petitions and electronically file same with the United States Bankruptcy Court for the District of New Jersey for each of the Debtors;
- (c) Conferences with management of the Debtors relating to the preparation of monthly financial reports and Schedules of Assets and Liabilities and Statement of Financial Affairs, on-going operations in US and Israel, sale of assets, Discover, iCo, numerous issues raised by attorneys involved in the matter with respect to the chapter 11 proceedings, and prospects for plans of reorganization herein;
- (d) Preparation of retention pleadings for NM as counsel to the Debtors, retention

pleadings for Gary Rabin, initially as financial advisor, then as CRO; retention pleadings for Armory Securities, LLC, as investment banker, retention pleadings for Lowenstein Sandler, LLC as special counsel; review and respond to objections, and attendance at hearings thereon;

- (e) Preparation of the Schedules of Assets and Liabilities and Statement of Financial Affairs for each of the Debtors;
- (f) Attendance at the § 341 hearing, the initial debtor interview, and the status conference scheduled by the Court;
- (g) Negotiate proposed agreement for debtor-in-possession financing from the May 2018 debenture holders, including review of numerous drafts of transaction documents and numerous conversations with counsel for one of the May 2018 debenture holders;
- (h) Numerous conversations with management, corporate counsel to the Debtors and Israeli counsel regarding iCo and pending Fidelity litigation;
- (i) Review Discover motion for stay relief, prepare opposition thereto and attendance at hearing thereon;
- (j) Review Discover transaction documents;
- (k) Negotiate asset purchase agreement with Vector for the purchase of Ceplene; prepare motion to approve sale of Ceplene to Vector, review objections, attend hearing thereon; attend adjourned hearing thereof; negotiate license agreement with Vector; file motion to approve license agreement and brief ordinary course of business issue; review and address Discover objections;
- (l) Review filing by Israeli counsel of stay proceeding in Israel; numerous conversations with Israeli counsel relating thereto; retain Israeli counsel to represent Debtors interests; attempt to negotiate with appointed Israeli trustee; numerous conversations with Israeli counsel regarding disputes with appointed Israeli trustee, filings in the US, Alexion sale, filings in Israel and related on-going issues; numerous conversations with Committee counsel regarding the multitude of issues in Israel; negotiate resolutions with newly appointed Israeli trustee;
- (m) Preparation of pleadings to retain Israeli counsel to represent the Debtors' interest in the Israeli stay proceedings; review objections to Debtors' retention request; attend hearing thereon;<sup>2</sup>

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<sup>2</sup> The Debtors' Israeli law firms will be filing their respective fee applications in short order. The Debtors understand that the Tadmor firm will be requesting fees and expenses in the approximate amount of \$230,000 and the Frumin firm will be requesting fees and expenses in the approximate amount of \$175,000.



- (n) Negotiate asset purchase agreement with Alexion; prepare motion to approve asset purchase agreement with Alexion; review objections filed by Discover, Israeli trustee and iCo, continue advising client on solicitation of competing bids; attend bidding procedures hearing; sale hearing; and close transaction with Alexion; assist in obtaining approval of Alexion transaction in Israeli proceedings;
- (o) Review and file monthly operating reports prepared by Debtors;
- (p) Preparation of motion to extend exclusive period of time for Debtors to file a plan of reorganization; review opposition; attend multiple hearings thereon;
- (q) Review discovery served by Discover (2004 exam, discovery in stay relief motion); review documents provided by the Debtors, produce documents for Discover, attend depositions and conduct depositions related to stay relief motion; attend 2004 examinations of board members;
- (r) Preparation of complaint against Discover; review answer; prepare two summary judgment motions; review Discover responses; prepare reply;
- (s) On-going discussions and negotiations with prospective purchasers of assets;
- (t) Numerous conversations with creditors, representatives from the Office of the United States Trustee and other parties in interest regarding the Chapter 11 Cases.

6. Your Applicants further show that annexed hereto as Exhibit "B" are computer printouts itemizing<sup>3</sup> all services performed by members and associates of NM for the period commencing February 15, 2019 through February 29, 2020 with respect to each of the Debtors. As shown on said exhibit, NM devoted in excess of 1,759.40 hours of services having a value of \$742,380.50 at this firm's then existing billing rates. The names of the attorneys and the paralegals involved in this matter, their hourly billing rates. The names of the attorneys involved in this matter, their hourly billing rates, the time spend by each of them and the total fees resulting therefrom are as follows:

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<sup>3</sup> The attachments have been redacted to preserve attorney-client privileges.

ATTORNEYS	HOURS	RATE	FEE
<b>2019</b>			
1. Morris S. Bauer	731.00	550.00	402,050.00
2. Melissa A. Pena	321.50	400.00	128,600.00
3. Catherine L. Corey	395.90	210.00	98,975.00
4. Bruce J. Wisotsky	36.10	575.00	20,757.50
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<b>2020</b>			
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3. Melissa A. Pena	0.50	410.00	205.00
4. Bruce J. Wisotsky	0.20	585.00	117.00
<b>TOTALS</b>	<b>1,759.40</b>		<b>742,380.50</b>

7. Your Applicants further show that they have incurred out-of-pocket expenses in the sum of \$39,154.88.

8. Your Applicants further show that they previously received a retainer fee in the aggregate amount of \$8,000.00, which Your Applicants anticipate will be applied toward any fee and expense allowances granted herein.

9. Your Applicants certify that the Debtors through its board members, will have received and will have ample opportunity to review the within application for compensation and reimbursement of expenses.

10. Annexed herewith as Exhibit "C and made a part hereof is an Affidavit of Morris S. Bauer, Esq. submitted pursuant to § 504 of the Bankruptcy Code.

WHEREFORE, Your Applicants respectfully request that an Order be entered granting Norris McLaughlin, P.A., as attorneys for the Debtors, first interim allowances in the amount of \$742,380.50 together with reimbursement of their out-of-pocket expenses in the sum of \$39,154.88.

NORRIS McLAUGHLIN, P.A.  
Attorneys for Debtors/Debtors-in-Possession

Dated: March 18, 2020

By: /s/ Morris S. Bauer  
MORRIS S. BAUER